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Nor is the outlook bright for any improvement on present methods. The author points out several agencies tending to thrust the class hovering above the poverty line, below it. He gives a chapter to the sick, in which he includes accidents in, and unsanitary condition of, many gainful occupations, when no provision is made to relieve the stress upon the families afflicted; and the prevalence of tuberculosis among the poor. The child—its small chance of life and fair development, and as a competitor of the parent in industry—is given a strong chapter. The treatment of the immigrant is thoughtful and deserves careful consideration. As many of the author's views on the immigration question are speculative, and deal with things that might have been, if other things were not as they are, there is room in this chapter for dissenting opinions.

The author has faced a grave problem resolutely. He has stated it in clear terms. He has shown that poverty is more than accidental—is a corollary of existing institutions. He has gathered together the best and most intelligent thought upon the subject. He may be bordering upon the sentimental at times—which is forgivable; he may be twisting ropes of the sand of statistics, and venture theories that he himself may in time desert; but he has written a book which ought to make a deep impression upon the thinking public. Mr. Hunter's book is a landmark in the American literature upon the subject.

S. G. LINDHOLM.

NEW YORK.

Mass and Class: A Study of Social Divisions. By W. J. GHENT.

New York: The Macmillan Co., 1904. 8vo, pp. ix + 260.

In October, 1902, Mr. Ghent published *Our Benevolent Feudalism*. In this book he examined certain prominent phases of contemporary social development—the combination of capital, the rôle played by business magnates, the economic position of farmers and wage-earners, the trend of social legislation, and the attitude toward social problems of the bench, the press, and the pulpit. This examination led him to the conclusion that American society is gradually assuming a feudal form. In the feudalism of the future, Mr. Ghent prophesied that the possessors of great wealth will take the place of the ancient barons, and wage-earners the place of villeins; the professional classes will become virtually dependents upon and supporters of the barons, the active managers of production will become

their salaried stewards, and various places in an elaborately graded system of status will be found for the rest of the population.

This book was well written and enjoyed such popularity as to require a third edition within six months of the issue of the first. For this edition Mr. Ghent wrote a preface in which he explained that, despite "an occasional touch of satire," the book was "serious ;" that it pushed "home to its natural and logical outcome the development of the tendencies of today." But, he added, "there is a possible alternative outcome," about which nothing was said in the book, "because it was expected that a perspicacious reading public would be led to it unerringly and without assistance." This alternative outcome is the "assertion of the democratic spirit and will, the conquest of the baronial régime, and the transformation of the industrial system into that of a co-operative commonwealth." It is with this "possible alternative outcome" that Mr. Ghent's new book, *Mass and Class*, deals. In it the author seeks

to analyze the social mass into its component classes ; to describe these classes, not as they may be imagined in some projected benevolent feudalism, but as they are to be found here and now in the industrial life of the nation ; and to indicate the current of social progress which, in spite of the blindness of the workers, the rapacity of the masters, and the subservience of the retainers, makes ever for an ultimate social justice.

Mr. Ghent begins the program thus stated in his preface by expounding the doctrine of the economic interpretation of history. Though not the sole factor in determining human actions, he holds that the "economic element is the chief determining factor." This doctrine furnishes the key by which he thinks it possible, not only to "translate the cryptic records of the past," but also to make "plain the process and the pathway of future progress." In the second chapter he ranges the doctrine of the class-struggle by the side of that of economic interpretation. "Only by a thorough recognition of the character and causes of class divisions," he says, "can the material factors compelling those divisions be abolished, and the ground be prepared for a complete and abiding social unity."

Accordingly, Mr. Ghent proceeds to study the classes that make up present society. He defines an economic class as "an aggregate of persons whose occupation has the same bearing on the supply of things wanted by mankind, and who in that occupation sustain the same relations toward other persons." Of such classes he recognizes six among "those persons who are directly concerned with produc-

tion, distribution, exchange, and service;" viz.: (1) proletarians or wage-earning producers, including foremen, clerks, inventors, and experts in applied science; (2) self-employing producers—in the main, land-holding farmers and handicraftsmen; (3) social servants, including professional men, employees of public institutions, etc.; (4) traders, including two subclasses, (*a*) manufacturers and dealers in commodities, (*b*) financiers; (5) idle capitalists; (6) retainers—"those various sorts of persons who are directly responsible to the traders and capitalists, and whose occupations consist in contributing to their comfort or their interests," including lawyers, clerks in financial establishments, domestics, politicians, etc.

By applying the economic interpretation to this analysis of social classes, Mr. Ghent next essays to explain the divergent notions that hold sway in the minds of our contemporaries concerning right and wrong in economic matters. His general thesis is that "the paramount economic interest of a class . . . becomes the basis of the conscience of the individual composing that class." From this point of view he discusses at length the "ethic" of the first, second, and fourth of his classes—the producers on the one hand, and the traders on the other. "Among producers," he says, "two fundamental moral convictions have arisen and gained general acceptance." They are the "ethic of usefulness"—that is, "the conviction that work of social value is the only title to income"—and the "ethic of fellowship,"—that is, "the conviction of the duty of friendly association and collective effort for mutual benefit." Out of these two convictions "slowly arises a concept of a moral law of economic solidarity," which "demands that all men shall be useful workers, that no man shall take any advantage at the expense of another, and that all such useful workers shall stand together for the welfare of all." He admits that the conscience of the wage-earning producer sometimes sanctions acts which are harmful to other members of society; but as the champion of the producers he replies that the occasional lawlessness of strikers can be matched by such organized trading-class lawlessness as bribery. Turning to the traders, Mr. Ghent finds that the "supreme ethic" of this class is that of contract. It is an ethic of two parts—"a conviction of the right to make any bargain which the other party can be induced to agree to, and a conviction of the duty of keeping the agreement when made." With this is combined "the ethic of the sacredness of private possessions," and the "ethic of 'free' labor," that is, "labor so servile and helpless

that it must needs accept employment at any wage and under any conditions." These convictions justify the trader to his own mind in getting "all that he can make" as an income. But the producers are led by their ethic of usefulness to regard profits and high salaries "partly as earned wages of superintendence, but in larger part as exploitation," and interest, rent, and dividends as incomes "unearned, wrongfully apportioned, and wrongfully held."

While trading-class ethics includes the conviction of keeping bargains when made, Mr. Ghent points out that it does not exclude the systematic practice of deception in making bargains. To the congenial task of piling up evidence of the practice of deception in business, he devotes two chapters, entitled "The Reign of Graft." Adulteration of goods of all sorts, the sale of fraudulent patent medicines, the "fake" instalment trade, the "loan-shark graft," dishonest corporation methods, corrupt alliances between business and politics, etc., come in for notices of varying degrees of thoroughness. But Mr. Ghent's zeal does not prevent him from giving the traders whatever degree of comfort they may derive from an economic interpretation of their corruption. Men graft, he explains, "not because they are innately dishonest," but because their conduct is determined chiefly by the prevailing mode of production and distribution, and because the mode prevailing at present makes "grafting" profitable. Under a competitive individualist régime men must strive to get an advantage over their fellows. Fraud is one means to this end. Since it is to their interest as individuals, traders do not condemn it as wrong.

From this study Mr. Ghent draws certain conclusions about the probable economic organization of the future. Their drift is indicated by the title of his final chapter, "The Failure of the Trading Class." For three-quarters of a century, he says, the traders have been the rulers of the civilized world. To them has been intrusted the task of organizing and directing the economic activities of the nations. This great trust they have administered but ill, because their instinct for individual profit has prevented them from comprehending their social functions as captains of industry. Their sense of individual obligation has often been strong, but their sense of social obligation has been weak. Hence they have failed to organize the work of the world on a rational system to make it meet the world's wants. Consequently, another class is gradually arraying itself against them. This class is a "union of all men whom the burden

and pressure of the trading-class régime force to like action in the assertion of their economic claims, and in whom is awakened a common hope of a reorganization of society and a determination to achieve it." Meanwhile the emergence from among the traders themselves of a small group of highly efficient executives, who are now reorganizing the industrial system on a broader scale, is paving the way for a more facile transfer of economic authority from the hands of individuals to the hands of society. This transfer will produce the co-operative commonwealth. It will come when "the social-minded mass . . . shall become wholly conscious of its mission."

This brief synopsis of *Mass and Class* show that the discussion is too wide in scope to be dealt with adequately within the limits of a brief review. One suggestion and one criticism may, however, be made. The suggestion is that the reader interested in the line of problems treated by Mr. Ghent read his book together with Professor Veblen's *Theory of Business Enterprise*, published one month earlier. A striking similarity will be found in the sort of topics treated and in the sort of conclusions which the writers think themselves justified in drawing. This similarity will prove especially enlightening to those who feel that work of the type that Ghent and Veblen have been doing is based on sheer imagination rather than upon observation and reason. At the same time, the differences between the two books will help more effectively than any comments that could be compressed into a review to form a just appreciation of the strength and weakness of *Mass and Class*.

The one criticism offered concerns a fundamental point—Mr. Ghent's failure to grasp the full meaning of the doctrine of economic interpretation on which he professes to base his whole discussion. His conception of the doctrine is perhaps best exemplified by the proposition on which his treatment of class ethics is founded: "The paramount economic interest of a class . . . becomes the basis of the conscience of the individuals comprising that class." Economic interpretation means more than that a man's thinking is colored by his interests. More important in the long run is the fact that man's thinking has been in the past and is today developed primarily by his economic activities. A discussion of class ethics, or any other phase of mental development, ought accordingly to lay not less emphasis on the influence of diversity of habitual economic activities than on the influence of diversity of economic interests. Now and then Mr. Ghent writes a sentence that suggests a fuller comprehension of the

facts; for example, the statement on p. 74 that "individuals of like tasks and interests" develop common characteristics and react "in like ways to the same stimuli." But the tone of the discussion as a whole shows that Mr. Ghent does not appreciate the full meaning of such phrases. Attention is called to this point because Mr. Ghent's failure is of a kind frequently found in economists who are sufficiently modern to appreciate the necessity of studying the cultural consequences of economic factors, but not sufficiently modern to appreciate the necessity of a thorough psychological equipment for the work. Discriminating readers will notice that Professor Veblen has a much more thorough understanding of such problems than Mr. Ghent.

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Modern Industrialism: An Outline of the Industrial Organization as Seen in the History, Industry and Problems of England, the United States and Germany. By FRANK L. McVEY. ("Appleton's Business Series.") New York: D. Appleton & Co., 1904. Illustrated, 8vo, pp. 300.

The difficulty of making a survey of modern industrialism in a single small volume lies, of course, in deciding what of the superabundant material to use and what to reject. Accordingly, such a book must be judged primarily by the manner in which this task of selection has been performed in its preparation. Professor McVey explains in his preface the plan he has followed. It is to trace the history of modern industrialism "in its essentials only," and with reference to but three countries—England, the United States, and Germany.

The survey is divided into three parts. Part I, "History," gives in 86 pages a sketch of the economic development of the three countries named, chiefly during the nineteenth century. The purpose of this sketch is to show how the diverse physical, political, and social conditions of a nation affect its economic development. Part II, "Industry," covers 105 pages and deals with the way in which the work of the world is at present organized. Combination of labor and capital, and the form of commercial and financial institutions, are treated, as well as the organization of extractive industries, transportation, and manufactures. The lesson of these chapters is summarized by Professor McVey in the single sentence: "Industry is complicated." Part III, "Administration" (94 pages), discusses